

Relative to the Louisiana State Employees' Retirement System (LASERS).

State Service

Existing law provides, that for purposes of determining eligibility for membership in LASERS, the legislature shall provide by law whether or not the types of agency service performed by employees, elected officials, and appointed officials of new agencies are within the scope of LASERS.

Existing law provides that "state service", for retirement purposes, means the type of agency service performed by its employees, elected officials, and appointed officials who are members of the system or the type of agency service approved by the LASERS' board of trustees.

New law retains existing law, but deletes the "board of trustees" as a determining party of state service and includes service for new agencies as determined by the legislature.

Membership

Existing law provides that, as part of the total membership base, the membership of LASERS shall be composed of state, municipal, or parochial employees transferred pursuant to other provisions of existing law which authorizes transfers to LASERS, with the approval of the board of trustees.

New law retains existing law, but deletes the board of trustees as a party necessary for approval of a transfer.

Prior law provided that the enrollment of LASERS membership had to include any person who was a member of LASERS for 10 years and who terminated employment, but was thereafter retained on contract by the state; and that any such enrolled member had to pay an amount that, on an actuarial basis, offset the unfunded accrued liability resulting from the enrollment; and that the member had to pay employee and employer contributions. Prior law was repealed by Acts 1995, No. 610, §3, eff. July 1, 1995.

Existing law provides that independent contractors pursuing an independent business or profession pursuant to a contract for a specific price to perform a specific task shall not be or become members of this system, except as provided in R.S. 11:411(6). (Note - statutory citation references prior law.)

New law retains existing law, but deletes reference to prior law which was repealed in 1995.

Existing law provides that retirees of LASERS, who are under age 60, who return to state employment within the same benefit class of LASERS shall not

law retains existing law, but changes the phrase "accumulated under rules and regulations" to "in accordance with leave accrual rates".

<u>Days</u>	<u>Percentage of a Year</u>
1- 26	10
27- 52	20
53- 78	30
79-104	40
105-130	50
131-156	60
157-182	70
183-208	80
209-234	90
235-260	100

Existing law provides that there shall be "no limit" to the amount of unused sick and annual leave that a member may convert to retirement credit on the basis of the conversion table digested above. New law retains existing law, but provides that the conversion of unused sick and annual leave shall not cause the member's total annual retirement benefit to exceed his final average compensation.

Existing law provides that provisions of law regarding the conversion of annual and sick leave to retirement credit shall not apply to officials whose appointment by the governor must be confirmed by the Senate, nor to all elected officials.

New law makes the provisions regarding conversion of annual and sick leave to retirement credit applicable to those governor's appointees confirmed by the Senate who are classified state employees participating in the Senior Executive Exchange Program pursuant to rules promulgated by the Department of State Civil Service.

Benefit Limitations/Nonqualified Participant

Existing law provides that the retirement benefit of a member who is not a "qualified participant", as that phrase is defined in other existing law, when expressed as an annual benefit may not exceed the lesser of \$90,000/year, or 100% of the member's average compensation for his highest three years.

Existing law provides, that for purposes of determining whether a nonqualified participant's benefit exceeds the annual limitation, the \$90,000/year limitation is adjusted annually to the maximum dollar limits allowable by the U.S. Secretary of the Treasury under Section 415(d) of the Internal Revenue Code, and the adjustment does not take effect until the 1st day of the fiscal year following 12/31/87; and provides that the adjustment shall not exceed the adjustment in effect for the calendar year in which the fiscal year of the system

Code §125(cafeteria plans), and §414(h)(tax treatment of certain contributions), and §457(deferred compensation plans of state and local governments and tax exempt organizations), or any other provision of federal law. New law retains existing law, but deletes all references to federal law except IRC §414(h).

Effective upon signature of governor (May 28, 1999).

(Amends R.S. 11:403(28), 411(intro. para.) and (5), 413(6) and (8), 424(A)(1)(intro. para.) and (2) and (D), and 444(C)(intro. para.), (7), and (10)(b))